

- Obtain IPSC numbering system and verify the ALSTOM drawings incorporates it.
- Attend ALSTOM factory tests for the drive.

Based on the above we estimate the total effort to be 225 man-hours. We estimate the cost for our services to support the procurement process described herein to be less than \$35,000 for labor and would expect travel expenses to be in the range of \$5,000. The billing rates for Messrs. Benz and Roberts are \$130 and \$112 per hour, respectively.

We suggest that this work be performed on a time and material basis as described in our Service Agreement 03-45568, dated December 13, 2002 using the engineering rates listed in our letter dated March 20, 2003. Performing this work on a time and material basis will allow IPSC to reduce or increase our level of support as required during the engineering and manufacturing of the drives.

I trust that this proposal meets your needs. If it does not, or you have any questions, please contact Mr. John Benz at 312-269-2111 or me.

We thank you for the opportunity to assist you in this project and look forward to continuing working together.

Yours very truly,

Jack M. Daly
Project Director

JMD:cl
J. Benz
D. Roberts
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